



Stat of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

M/C47/010
F

December 29, 2005

CERTIFIED MAIL No. 7160 3901 9842 9870 6220

American Gilsonite Company
Bonanza Mine Site
29950 South Bonanza Highway
Bonanza, Utah 84008

Attn: Jared Jackson, Senior Engineer

Re: Release of C.D. Bond, Gilsonite Lease ML 31934, (Federal Lease No. UTU-78405)
I-30 Mine Site.

Dear Mr. Jackson:

Enclosed is the Time Certificate of Deposit, No. 2-937174-7, issued by Zions First National Bank on November 14, 1991, in the amount of \$10,000.00. The Certificate of Deposit was submitted as surety for reclamation of mine related disturbances on the former state gilsonite lease ML 31934, now federal lease UTU-78405, the I-30 mine site.

The Director of the School and Institutional Trust Lands Administration approved the release of the C.D to American Gilsonite Company as a final agency action on December 23, 2005. A copy of the Director's approval is also enclosed.

To redeem the Certificate, American Gilsonite will have to present documentation, to Zions Bank, that authorizes an officer of the company to do so.

If you have any question please contact me at (801) 538-5153.

Sincerely

William M. Stokes
Minerals Resource Specialist

Enclosures: CD 2-937174-7
Directors Agenda

RECEIVED

DEC 29 2005

DIV OF OIL GAS & MIN. AC

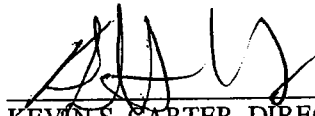
Utah!

DECEMBER 23, 2005

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON DECEMBER 23, 2005, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, AND DEVELOPMENT BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 5:00 P.M. ON DECEMBER 23, 2005.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 4; SURFACE ACTIONS AS LISTED ON PAGES 5 TO 15; AND DEVELOPMENT ACTIONS AS LISTED ON PAGES 16 TO 32.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON FRIDAY, JANUARY 6, 2005. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

MATERIALS PERMIT OVER-THE-COUNTER NO. 336 SAND AND GRAVEL (APPROVAL)

APPLICANT:

Brad and Cherry Hulet
P.O. Box 47
New Castle, UT 84756

AFFECTED LANDS:

Township 35 South, Range 15 West, SLB&M.
Section 22: NW¼ NW¼NW¼

COUNTY: Iron

ACRES: 40.0±

FUND: School

The subject lands have been pre-designated by the Director for the sale of over-the-counter sand and gravel permits pursuant to R850-23-1400. This is an on-going use of the subject lands and an appropriate use of these lands.

Upon recommendation of Mr. Tom Faddies, the Director approved the issuance of MP 336 for a term of one year.

RELEASE OF TIME CERTIFICATE OF DEPOSIT NO. 2-937174-7, HELD FOR RECLAMATION OF MINED LANDS UNDER GILSONITE LEASE ML 31934 (SCH) - AMERICAN GILSONITE COMPANY

On November 14, 1991, Zions First National Bank issued a Time Certificate of Deposit, No. 2-937174-7, payable to American Gilsonite Company and the Utah Division of State Lands and Forestry, in the amount of \$10,000 as surety for reclamation of mine-related activity on lands encompassed by Gilsonite Lease ML 31934, as listed below. Under the School and Institutional Trust Lands Management Act of 1994, Utah Code - Title 53C, management of the subject lands transferred from the Utah Division of State Lands and Forestry to the School and Institutional Trust Lands Administration.

All rights, title, and interest in the subject lease were subsequently assigned to the United States of America in accordance with the Final Judgment entered by the Court on October 21, 1998, as final resolution of the Syntana Land Exchange, Exchange No. 119. The Division of Oil, Gas and Mining, which regulates all mining activity in the State of Utah, has included the mine-related activity on the subject lands under one large mine permit, No. M/047/010, and has retained separate reclamation bonding to insure reclamation on the subject lands and other lands being developed by American Gilsonite Company.

With separate reclamation bonds being held by the Trust Lands Administration and the Division of Oil, Gas and Mining, for reclamation of the same lands, and upon the recommendation of Mr. Stokes, the Director approved the release of the referenced Certificate of Deposit to American Gilsonite Company.

ML 31934

American Gilsonite Co.
29950 South Bonanza Highway
Bonanza, UT 84008

T9S, R24E, SLB&M.

Sec.15: SW¼ of Lot 1, NW¼SW¼

Uintah County

50.00 Acres